

# A

## ANNEX 4.12 GIFTS

**This annex explains how departments should notify Parliament of gifts, both given and received. It is important to assure Parliament that propriety has been respected through transparent reporting.**

**A.4.12.1** A gift is something voluntarily donated, with no preconditions and without the expectation of any return. In this document, the term gift includes all transactions which are economically indistinguishable from gifts: see box A.4.12A.

**A.4.12.2** It is also important to be clear about transactions which do not score as gifts. For example:

- transfers of assets between government departments should generally be at full current market value; assets transferred under a transfer of functions order to implement a machinery of government change are generally made at no charge. In neither case are such transfers regarded as gifts;
- grants and grants-in-aid are not gifts as they are made under legislation, subject to conditions, with some expectation that the government will receive value through the furtherance of its policy objectives.

### **box A.4.12A definition of gifts**

Gifts include all transactions economically equivalent to free and unremunerated transfers from departments to others, such as:

- loan of an asset for its expected useful life
- sale or lease of assets at below market value (the difference between the amount received and the market value is the value of the gift)
- donations by departments
- transfers of land and buildings, or assignment of leases, to private sector bodies at less than market price (the gift is valued at the difference between the price agreed and the market price)

### **Approval**

**A.4.12.3** Treasury approval is needed for all gifts valued at more than £250,000, and any other gifts not covered by a department's delegated authorities.

**A.4.12.4** As Parliament does not provide for gifts when voting Estimates or passing specific legislation, Parliamentary approval for gifts worth more than £250,000 should be sought. Ideally this should be through Estimates. Alternatively, where time does not permit, a Minute should be laid in Parliament.

## Reporting

**A4.12.5** If the Estimates timetable permits, departments planning to make a gift worth more than £250,000 should notify Parliament in their Estimates (Main or Supplementary depending on timing), providing details of the gift and its cost.

**A4.12.6** Departments wishing to make a gift over £250,000, who have been unable to include it in their Estimates, should notify Parliament by laying a Minute. This should happen even if Parliamentary authority will be sought in a subsequent Estimate for funds to replace an existing asset to be given. Treasury approval must be obtained before a departmental Minute is laid.

**A4.12.7** The Minute must then be laid before the House of Commons at least fourteen parliamentary sitting days before the department proposes to make the gift. In cases of special urgency, it is permissible, exceptionally, for all or part of the fourteen day notice period to fall during an adjournment or recess, or for a shorter notice period to be given. In such cases, with Treasury approval, the reasons for urgency should be explained in the Minute.

**A4.12.8** The Minute must contain the standard opening and closing paragraphs in box A4.12B. These terms have the PAC's endorsement and can be changed only with Treasury approval.

### box A.4.12B standard paragraph for a departmental gift Minute

#### Opening paragraph:

*It is the normal practice when a government department proposes to make a gift of a value exceeding £250,000, for the department concerned to present to the House of Commons a Minute giving particulars of the gift and explaining the circumstances; and to refrain from making the gift until fourteen parliamentary sitting days after the issue of the Minute, except in cases of special urgency.*

#### Closing paragraph:

*The Treasury has approved the proposal in principle. If, during the period of fourteen parliamentary sitting days beginning on the date on which this Minute was laid before the House of Commons, a Member signifies an objection by giving notice of a Parliamentary Question or of a Motion relating to the Minute, or by otherwise raising the matter in the House, final approval of the gift will be withheld pending an examination of the objection.*

**A4.12.9** The Minute should also set out briefly the nature of the gift, its value, the circumstances in which it is being given, and the recipient. Where the gift is to be replaced, the Minute should contain information about the cost and nature of the replacement, when it is expected to be acquired, and the Estimate and subhead to which the expenditure will be charged. In the case of non-voted expenditure, the Minute should quote the account to which the replacement cost will be charged.

## Parliamentary objections

**A4.12.10** Members of Parliament may object to gifts by letter, Parliamentary Question or through an Early Day Motion. In such cases, departments may wish to advise their ministers to take the initiative by making contact with the MP concerned. This may be particularly appropriate if it is proposed to make the gift urgently or promptly on expiry of the waiting period.

**A4.12.11** Where an objection is raised, the gift should not normally be made until the objection has been answered. In the case of an Early Day Motion, the MP should be given an opportunity to make a direct personal representation to the Minister. The Treasury should be notified of the outcome of any representations made by MPs.

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## Noting resource accounts

**A.4.12.12** Resource accounts should include a note on gifts made by departments if their total value exceeds £250,000. Gifts with a value of more than £250,000 should be noted individually, with a reference to the appropriate departmental Minute. Exceptionally, where gifts are made between government departments, the receiving department should notate its accounts, not the donor.

## Gifts received

**A.4.12.13** Departments should maintain a register detailing gifts they have received, their estimated value and what happened to them (whether they were retained, disposed of, etc). Gifts received need not be noted in resource accounts unless the Treasury or department concerned considers there is a special need for them to be brought to Parliament's attention.

**A.4.12.14** Donations, sponsorship or contributions, eg from developers should also be treated as gifts.

**A.4.12.15** Guidance on gifts made to individual civil servants is in the [Civil Service Management Code](#).